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standards of tax administration. The former of these two chapters contains a brief but excellent review of the present practice in tax assessment throughout the country, with a somewhat more detailed discussion of West Virginia, Kansas, Minnesota, and Wisconsin; the latter applies the conclusions reached to the assessment problem in Iowa.

Professor Brindley's estimate of the relative importance of the various tax reform movements is shown in the statement that "of the three great tax reform movements of the last twenty-five years, namely, the adoption of certain special forms of taxation, the separation of the sources of state and local revenue, and the centralization of fiscal administration, the latter is not only the most important, but is a necessary basis for the real success of any important measure relating to ad valorem taxation." The volume under consideration affords an excellent summary of the progress which has been made in this direction.

H. B. G.

*Financial History of Ohio.* By ERNEST LUDLOW BOGART. University of Illinois Studies in the Social Sciences, Vol. I, Nos. 1 and 2. (Urbana-Champaign, Ill.: Published by the University. 1912. Pp. 258.)

Under a somewhat misleading title, Professor Bogart has presented a considerable amount of economic history coupled with a very satisfactory account of financial administration and taxation in Ohio. Neither the economic nor financial history, however, is complete in this volume; a history of the state debt has been published elsewhere, and monographs on local finance and internal improvements are promised.

The introductory and first chapters are devoted principally to economic history. A considerable part also of chapters 5 and 6 deals with the history of banks and of railroads rather than with financial matters. Valuable as these sections are in themselves, they yet exceed the bounds of what is necessary and desirable in order to make clear the financial history of the state. Chapter 2 presents an interesting account of the methods—all too often the more or less extra-legal devices and makeshifts—by which the state has contrived to make both ends meet. Convenient tables of receipts and expenditures are appended. The third chapter traces the development of treasury accountability and of budgetary practice.

In part II, covering the second half of the book, Ohio's inter-

esting experience in taxation is for the first time adequately described. The account of the general property tax is in the main very satisfactory, but on two important points the reviewer believes it to be misleading. Professor Bogart leaves the impression that corporation shares are taxable to the holders unless the corporation's entire property is taxed in the state;<sup>1</sup> although in describing the Willis law tax he seems to imply (erroneously) that the payment of the franchise tax works the exemption of the shares (p. 344). But in 1904<sup>2</sup> the shares in Ohio corporations were exempted from taxation, regardless of the taxation of the corporation. An earlier act<sup>3</sup> had exempted shares in foreign corporations at least two thirds of whose property is taxed in Ohio and the remainder elsewhere, provided such corporations also pay an annual fee, similar to that exacted of domestic corporations. The practical effect of these laws is to exempt from taxation the stocks of all domestic corporations, and the stocks of substantially all foreign corporations doing business in the state.

Moreover, it is repeatedly stated or implied that Ohio enjoys practically complete separation of the sources of state and local revenue. It is true that since 1902 there has been no levy for the general revenue fund, but there are also a common school fund, a sinking fund, and a university fund, for each of which a state rate on general property continues to be levied. Beyond doubt, the state rate was considered by the real estate appraisers in making their valuations in 1910; in several instances they openly admitted it. Dissent must therefore be expressed to Professor Bogart's conclusion (p. 254) that complete separation is undesirable.

The plan of the work unfortunately makes for a number of tiresome repetitions, which more careful editing might have avoided; and there are many typographical errors. The index is fairly satisfactory.

In spite of imperfections the book is an important addition to the literature of state finance and taxation. If it could be read and digested by Ohio lawmakers and citizens, hope of thoroughgoing tax reform in Ohio would be rekindled. The constitutional convention, from which Professor Bogart hoped so much, retained and even strengthened the requirement of uniformity which has

<sup>1</sup> He refers (p. 224) only to the law of 1852, which, however, virtually reenacted that of 1846. (44 *O. L.*, 85, Sec. 10.)

<sup>2</sup> 97 *O. L.*, 496.

<sup>3</sup> 95 *O. L.*, 539, amending Act of April 14, 1900 (94 *O. L.*, 225).

been such a bar to progress. The only advance in matters of taxation is the definite provision for excise and franchise taxes, for taxes upon the production of minerals, and for graduated taxes upon incomes and inheritances.

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*Die Neuordnung der direkten Staatssteuern in Preussen.* By G. STRUTZ. (Berlin: Carl Heymanns Verlag. 1912. Pp. 252. 5 m.)

The enormous military and naval expenditure of Germany has brought the problems of taxation and revenue to the forefront of economic investigation in the Fatherland. The very large outlays for the navy in particular, occasioned by the naval rivalry with Great Britain, have made it necessary to tap new sources of revenue; and, in general, to increase the burden of taxation. Because of this, the entire scheme of imperial finance was substantially altered in 1909-1910; and this reorganization had its effect on the several states of the Empire. The best account of the movement for tax reform is found in *Die Reichsfinanzreform: Ein Führer*, which consists of a series of papers by leading public officials, and which were published by the Vereinigung für Förderung der Reichsfinanzreform, in 1909. Innumerable other books and pamphlets on this burning question have been issued; among them, in 1912, the present volume by Dr. Strutz who discusses in detail the changes in direct taxation in Prussia which have now become an accomplished fact.

In Germany, as in all federal states, the fiscal problem is threefold; for it must deal with national, state, and local finance. Therefore, although the great imperial reforms of 1909-1910 deal with federal finance they also intimately concern each state and municipality. It is from the point of view of Prussian finance that Dr. Strutz considers the situation.

It was essential, in order to meet the growing demands upon the imperial exchequer, that the federal authorities should raise some 500 million marks. After much discussion and investigation it was decided to raise 475 million marks by indirect taxation and the remainder by an additional direct contribution from each state. The imperial government also attempted to put through a federal inheritance tax measure; but the proposal met with such bitter opposition from the large landowners that